

Message Text

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ACTION EA-09

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FM AMCONSUL HONG KONG

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INFO AMEMBASSY BANGKOK

AMEMBASSY PARIS

AMEMBASSY TOKYO

AMEMBASSY VIENTIANE

C O N F I D E N T I A L HONG KONG 4358

E.O. 11652: GDS

TAGS: PFOR, BTRA, EEWT, VN

SUBJ: CITIBANK ECONOMIST'S VISIT TO HANOI

1. SUMMARY. CITIBANK'S FIRST VISITOR TO HANOI DESCRIBED HIS RECEPTION BY VIETNAMESE AUTHORITIES AS WARM AND INFORMATIVE. DRV OFFICIALS URGED HIM TO PASS THE WORD TO AMERICAN BUSINESSMEN, AND THE PETROLEUM COMMUNITY IN PARTICULAR, THAT THEY ARE WELCOME IN VIET-NAM. IN ADDITION, THE VIETNAMESE PUSHED THEIR USUAL LINE OF INSISTING THE USG ASSIST IN HEALING THE WOUNDS OF WAR IN ACCORDANCE WITH ARTICLE 21. THE CITIBANK OFFICIAL REPORTEDLY RESPONDED THAT HIS MISSION WAS TO CONVEY CITIBANK'S GREETINGS AND TO FAMILIARIZE HIMSELF WITH THE VIETNAMESE ECONOMIC SCENE; CITIBANK'S ACTIVITIES, HOWEVER, WOULD REMAIN IN ACCORD WITH U.S. LAW AND POLICY. END SUMMARY

2. V.K. RANGANATHAN (INDIAN CITIZEN), SENIOR ECONOMIST AT THE FIRST NATIONAL CITY BANK, HONG KONG, CALLED AT THE CON GEN TO DESCRIBE HIS RECENT TRIP TO HANOI. HAVING TRAVELED VIA BANGKOK AND VIENTIANE, HE STAYED IN VIETNAM FROM
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MARCH 31 TO APRIL 11, VISITING HANOI, HAIPHONG, HON GAY AND

THE BAY D'ALONG. HIS DISCUSSIONS IN HANOI WERE WITH LE HOANG, VICE CHAIRMAN OF THE BANK OF FOREIGN TRADE (WHO APPEARED IN AN ARMY-TYPE GREEN UNIFORM), NGUYEN CAO TIEU, A FINANCIAL SPECIALIST OF THE BANK (A TYPICAL BANKER IN BUSINESS SUIT), CAO DAC CUONG, ANOTHER BANK FUNCTIONARY, AND NGUYEN BA YEN, DIRECTOR OF TECHNOIMPORT. DURING HIS TRIP, HE CALLED ON THE AUSTRALIAN AND INDIAN AMBASSADORS, THE JAPANESE CHARGE AND OTHER WESTERN DIPLOMATS.

3. RANGANATHAN CHARACTERIZED HIS MEETING WITH LE HOANG AS MOST CORDIAL. HOANG EXPLAINED THAT THE CHAIRMAN OF THE FOREIGN TRADE BANK HAD NOT RECEIVED HIM BECAUSE HE WAS AWAY IN THE SOUTH. DURING THEIR TALKS, HOANG MENTIONED THAT VIETNAM COOPERATED WITH FOUR JAPANESE BANKS BUT NOTED THAT MOST OF THEIR BUSINESS WENT TO THE TOKYO BANK SINCE THEY HAD BEEN SO HELPFUL WHEN VIETNAM AND JAPAN WERE ESTABLISHING RELATIONS. HE HOPED THAT CITIBANK COULD ALSO BE HELPFUL. HE SAID THAT U.S. BUSINESSMEN WERE MOST WELCOME IN VIETNAM. REFERRING TO A PROPOSED VISIT OF EDWARD HARSHFIELD, HEAD OF CITIBANK HONG KONG, HE EXPLAINED THAT THE MATTER WOULD HAVE TO BE CLEARED WITH PRIME MINISTER PHAM VAN DOUNG, BUT HE FELT THE INVITATION WOULD BE ISSUED SOMETIME AFTER THE VIETNAMESE ELECTION (APRIL 25).

4. HOANG ATTACKED THE "USG'S UNFRIENDLY ATTITUDE TOWARD VIETNAM", INSISTING THAT THE USG MUST DROP ITS EMBARGO AND CONTRIBUTE TO HEALING THE WOUNDS OF WAR. THE AID FIGURE MENTIONED WAS THE \$3.2 BILLION ATTRIBUTED TO PRESIDENT NIXON.

5. RANGANATHAN REPORTS HE INFORMED HOANG THAT HE WAS IN HANOI TO CONVEY THE GREETINGS OF CITIBANK TO VIETNAM AND TO BECOME FAMILIAR WITH THE ECONOMIC SITUATION AND FINANCIAL PERSONALITIES IN VIETNAM IN PREPARATION FOR THE DAY WHEN USG RESTRICTIONS AGAINST VIETNAM MIGHT BE REMOVED. HE REPORTEDLY TOLD HOANG THAT THE AMERICAN BUSINESS COMMUNITY FOLLOWED THE POLICY DIRECTIONS OF THE USG AND WOULD NOT VIOLATE THE LAW ANYMORE THAN HOANG WOULD EXPECT VIETNAMESE CITIZENS TO VIOLATE VIETNAMESE LAW. HE EXPRESSED THE OPINION THAT BOTH THE U.S. BUSINESS COMMUNITY AND THE USG

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WERE HONESTLY SEEKING TO NORMALIZE RELATIONS WITH THE VIETNAMESE. RANGANATHAN REPORTS THAT HOANG SEEMED TO ACCEPT ALL OF THIS GRACEFULLY BUT WITHOUT COMMENT.

6. IN A MEETING WITH NGUYEN BA YEN, DIRECTOR OF THE VIETNAM NATIONAL COMPLETE EQUIPMENT IMPORT AND TECHNICS EXCHANGE CORPORATION, RANGANATHAN WAS GIVEN THE SPECIFIC REQUEST FOR CITIBANK TO CONTACT AMERICAN PETROLEUM FIRMS AND

ADVISE THEM THAT THEY WERE WELCOME IN VIETNAM. RANGANATHAN COMMENTED TO CONGENOFF THAT HE DID NOT BELIEVE THAT CITIBANK WOULD UNDERTAKE SUCH ACTION UNTIL IT WAS IN ACCORD WITH U.S. POLICY.

7. DURING HIS VISIT, RANGANATHAN STAYED AT THE NEW CUBAN HOTEL (EQUIPPED WITH THE LATEST JAPANESE PLUMBING, NEW SWEDISH FURNITURE, AND REVERSIBLE AIRCONDITIONERS). HE OBSERVED NUMEROUS SOVIET, CUBAN AND SWEDISH TECHNICAL ADVISERS AND MET SEVERAL POLISH COMPUTER EXPERTS WHO ARE ASSISTING IN INSTALLING POLISH COMPUTERS. IN ADDITION, HE MET A DANISH BUSINESSMAN AND BRITISH TEXTILE EXPERT WITH WHOM HE DID SOME TOURS. HIS ONLY CONTACT WITH AMERICANS WAS ON HIS FINAL DAY WHEN HE MET A CHURCH-CONNECTED GROUP CONSISTING OF BERNARD CONFER, MARILYNNE HILL, HEIDI KUGLIN, LOWELL FINLEY, AND BARBARA FULLER. HE DEPARTED FOR HONG KONG VIA CHINA, LEAVING BY THE MILITARY AIRFIELD AS THE REGULAR CIVILIAN TERMINAL WAS STILL UNDERGOING RECONSTRUCTION.

8. RANGANATHAN DISPLAYED TO CONGENOFF VOLUMINOUS NOTES FROM WHICH HE IS BUSY COMPILING HIS REPORT AND HAS PROMISED TO PROVIDE A DETAILED ACCOUNT OF HIS TRIP TO THE CONGEN, WHICH WE WILL PASS TO DEPARMTNET UPON RECEIPT.

9. COMMENT: DURING HIS CONVERSATION WITH THE CONGENOFF, RANGANATHAN SEVERAL TIMES REFERRED TO BANK OF AMERICA SAUBOLLE'S VISIT TO VIETNAM, NOTING THE IMPORTANCE FOR CITIBANK TO CATCH UP WITH THEIR CALIFORNIAN RIVAL. HE CONVEYED THE IMPRESSION THAT HE WISHED TO DO EVERYTHING POSSIBLE TO ASSIST THE U.S. GOVERNMENT AND U.S. POLICY AND WOULD PROVIDE THE CONGEN WITH WHATEVER INFORMATION WE DESIRED. THE VIETNAMESE APPROACH TO CITIBANK REFLECTS THEIR CONTINUING ATTEMPTS TO TURN U.S. BUSINESS INTERESTS

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AGAINST USG POLICY. THEIR OBTRUSIVE PLAY FOR CONTACT WITH U.S. PETROLEUM FIRMS SHOWS AGAIN THE STRONG DESIRE OF THE VIETNAMESE LEADERSHIP FOR AMERICAN OIL TECHNOLOGY. CITIBANK, HOWEVER, DOES NOT APPEAR READY TO COOPERATE IN THIS PLOY.

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